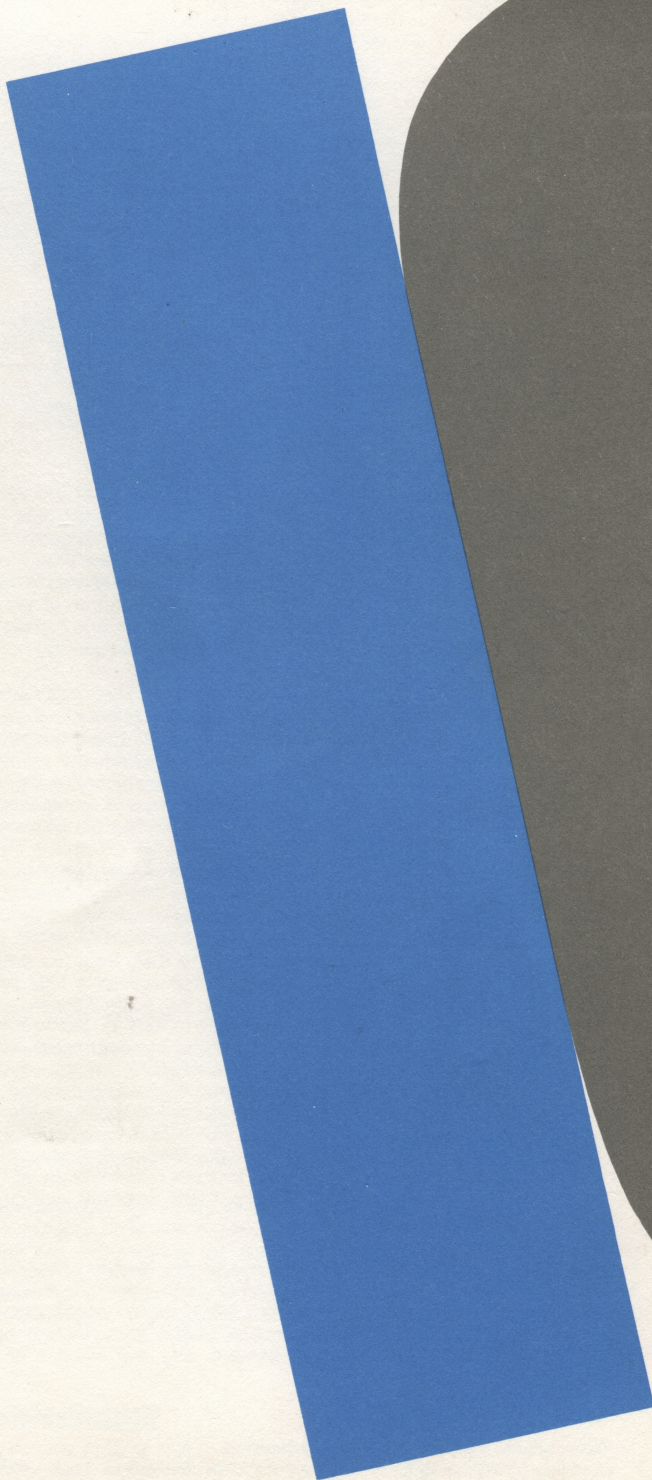


ideas for improvement











IBM

Your Ideas for Improvement

A better way! There almost always is one. If you have an "Idea for Improvement," the IBM Suggestion Plan provides you with a way to submit it and gives IBM a way of rewarding you.

A relatively simple idea may be very valuable. Each year several million dollars in awards are paid to employees who have improved the business with their ideas.

You should consider submitting a suggestion if you have a new idea that will result in savings to the company. Your idea should:

SAVE time, material or money;

REDUCE or avoid costs;

IMPROVE product quality or reliability, customer service, safety or security;

INCREASE production; or

CREATE a new method or design.

This brochure gives you a broad outline of the IBM Suggestion Plan. It explains how to submit your ideas and provides other helpful information. You will want to keep it as a handy reference.

If you have any questions that are not answered here, your manager or the Suggestion Department will be happy to give you additional information.

What Suggestions are Eligible for Awards?

A suggestion will be considered eligible for an award provided:

- a. The suggester and the subject of the suggestion are eligible.
- b. The suggestion points out a specific situation which can be improved and offers the specific solution that is implemented. For example: the specific method, operation, process, means or practice that is adopted. A suggestion that does not offer a specific solution may not be accepted for investigation. Questions, complaints, comments, suggestions of a general nature and problems for which you do not have a solution are best answered by your manager or through the Speak Up! program.
- c. The implementation of the suggestion results in savings to the company.
- d. The suggestion is timely, practical and adoptable on the basis of conditions that exist at the time of submission. For example: known technology or business methods, etc.
- e. The suggestion has the earliest date of receipt at any Suggestion Department of any suggestion containing the same situation and solution, except when the decision to implement a suggestion is a local option. Then the first suggestion received at a specific Suggestion Department with the same situation and solution will receive first consideration for an award.
- f. The idea has been properly submitted on the IBM Suggestion Form and its active life has not expired.

If your suggestion is not considered eligible for an award for any of the above reasons, no award is payable. If your suggestion is considered eligible for an award, the amount and basis for calculation are described in the Awards section of this brochure.

When the specific solution stated in a suggestion is not adopted, no award is payable in accordance with the provisions of the Plan. In some cases, however, when a suggestion is considered to be of substantial assistance in bringing about an improvement, an award may be granted based on individual consideration. A decision to grant an award of this kind will be made at the discretion of IBM. The amount of the award will be based on management judgment and will not be subject to the Awards provision of the Plan. An award of this kind will not be less than the Plan minimum or more than the maximum.

Employee Eligibility

All regular and supplemental employees of IBM may submit suggestions and may be considered eligible for awards with the following exceptions:

Management employees and personnel assigned to the Suggestion Department cannot receive awards.

Nonexempt employees may not receive awards for suggestions that are part of their job responsibilities. Those assigned to systems, procedures, programming, design, engineering, product test, research or development activities also cannot receive awards for suggesting improvements related to their area of responsibility.

Exempt nonmanagement employees cannot receive awards for suggestions that are part of their job responsibilities or related to their area of responsibility. They may receive awards only when the subject of their suggestion is clearly outside their area of responsibility.

An employee's eligibility for an award is determined on an individual basis by the suggester's manager based on the individual's job responsibility and area of responsibility at the time the suggestion is submitted.

Suggestions that are not eligible for an award in one location or specific situation because they are part of a suggester's job or area of responsibility are not eligible for an award if used in another location or specific situation.

Employees on approved leaves of absence and those retired under the IBM Retirement Plan or IBM Total and Permanent Disability Income Plan may also submit suggestions and be considered for awards. Their eligibility is based on their last active employment assignment.

Subject Eligibility

Suggestions relating to the following are not eligible for awards:

- a. Requisition or purchase of commonly used items, such as those which can be obtained from local stock, purchased locally or are available through the Corporate Contracts and Agreements Manuals (e.g., tools, cabinets, signs, stationery supplies, etc.); activities in the maturing process prior to their release (e.g., improvements to IBM products, supplies, manufacturing equipment, etc.); suggestions concerning pilot production or preliminary materials that would normally be provided for by the area responsible (e.g., manuals, forms, procedures, etc.); suggestions relating to computer programs used by customers; ideas concerning additions and deletions to Used Parts Returnable Lists; and ideas not directly applicable to IBM, its products or personnel, or over which IBM does not exercise primary control.
- b. Ideas already under consideration by the company or ideas on subjects that are periodically reexamined by management (e.g., increases or decreases in facilities, prices, compensation, reimbursement, staffing, services rendered, use or application of IBM equipment, etc.)
- c. Correction or updating of printed matter (e.g., text, drawings, etc.) and additions or deletions to bills of material — unless the suggested change results in tangible savings.
- d. Periodic or routine matters for which established procedures exist (e.g., housekeeping, normal maintenance and repairs, etc.) — unless the suggested change results in an improved method and tangible savings.
- e. Employee benefits, services, awards, convenience installations, IBM Club activities and similar matters (e.g., recreation facilities, recognition plans, cafeterias, vending machines, parking lots, etc.) — unless the suggested change results in tangible savings or improves safety or security.

- f. Routine improvements to newly occupied premises during the first six months of use — unless the suggested change improves safety or security.

Awards

Cash awards range from **\$25** to **\$75,000** for suggestions considered eligible for an award. The actual amount of an award depends upon the tangible savings or intangible savings and other value resulting from your suggestion during the first year after implementation.

Tangible Savings Awards

A tangible savings award will be granted when the specific solution in a suggestion is implemented and results in a cash saving to the company.

The amount of an award will be based on 20% of the first year's actual net material and labor savings. When a suggestion results in a cash saving other than material and labor, the amount of the award will be determined on an individual basis. Initial payments will be based on estimated savings.

Intangible Savings Awards

An intangible savings award will be granted when the specific solution in a suggestion is implemented and results in savings and other value to IBM that cannot be measured in the precise dollar and cents terms of a tangible savings award. To qualify for an intangible savings award, a suggestion must improve either product quality or reliability, customer service, safety or security.

For award purpose, these suggestions are rated according to factors such as the seriousness, frequency and extent of the problem, and the creativity and effectiveness of the solution. An Intangible Award Guide is used for this purpose. It generally results in an award of **\$25** to **\$100** but is not limited to this amount.

General

Awards of **\$100** or more are reviewed automatically one year following the date of implementation. If additional savings have been realized from first year use, an additional award may be granted.

Awards for joint suggestions, those developed and submitted by more than one employee, are divided equally among the original eligible participants. An idea developed by an employee who would be ineligible for an award for the idea, should not be submitted by another employee and is not awardable.

Suggestions will be evaluated for use locally. IBM is not obligated to submit suggestions to any specific location. Suggestions implemented at one IBM location may, at the discretion of the Suggestion Department, be forwarded to other locations for investigation. If additional use (extended application) of the idea is made at other IBM locations within the first year after initial implementation, an additional award may be granted. No award will be paid for similar ideas adopted at locations to which the suggestion was not submitted or directed by the Suggestion Department. In no event will the total amount awarded for a suggestion exceed **\$75,000**.

Suggestions are implemented at the discretion of the company. No interest will be paid on suggestion awards and IBM assumes no responsibility for not implementing or giving extended application to a suggestion.

If an employee would be entitled to an award if still living, the award will be paid to the legal representative of the suggester's estate.

Suggestion awards are considered compensation by the Internal Revenue Service and are subject to taxes.

How to Submit Your Idea

Your idea has value only when you make it known. When you have an idea you consider practical, submit it right away to the Suggestion Department that serves your location. Someone else may have the same idea and send it in before you do.

All ideas must be submitted on the IBM Suggestion Form to be eligible for awards. Read the instructions on the back of the form. Fill in the required information with a ballpoint pen or typewriter so that all copies are legible. Include sketches, drawings or samples of proposed improvements whenever possible. If your suggestion contains more than one specific situation or solution, each should be submitted on a separate form.

When writing your suggestion, be clear, concise and emphasize why it should be adopted. This may not always be obvious to the investigator. Be sure you have defined the problem and stated your solution. If you would like assistance, talk to your manager. Be sure you have included all applicable information so it will not be necessary to return the form to you for completion and, possibly, affect the priority of your suggestion.

Make sure you sign the Agreement section. If more than one person is submitting the suggestion, all must sign. No additional signatures may be added after your idea is received in the Suggestion Department. If you have no objection to your name appearing on the Investigator's Copy of your suggestion and possibly being contacted by individuals responsible for investigating it, you should also complete the anonymity section at the bottom of the form.

When the form is completed, tear off the back copy for your personal file and discard the last carbon. Do not remove the carbon paper from the remaining copies. Mail the completed form to your Suggestion Department using the envelope provided and the intracompany mail whenever possible.

In the case of urgent situations, such as safety or security, contact your manager with your solution at once. This will insure the quickest attention. Then, promptly submit a Suggestion Form to your Suggestion Department, giving all the necessary data, including the name and location of the responsible person to whom you made your suggestion, and the date on which it was made.

Your suggestion is dated the day it is received by the Suggestion Department. It has an active life of two years from this date, which establishes the priority of your idea. (Suggestions that have not been submitted on a Suggestion Form within 30 days of their verbal disclosure may not be eligible for suggestion awards.) A numbered acknowledgement copy of your suggestion is sent to you within 10 workdays. Refer to this suggestion number in all communications with the Suggestion Department.

How Your Idea Is Investigated

When your idea is received, it is checked against other active suggestions. If it is predated by an earlier suggestion with the same specific situation and solution, you will be advised of this fact. Suggestions are forwarded to the area that would be responsible for implementation if the idea is adopted. After evaluation, implemented suggestions are considered for awards.

Your manager will notify you if your suggestion is awarded. If it is not adopted or is not eligible for an award, the Suggestion Department will notify you of the reason in writing. If you disagree with this reason, discuss it with your manager or request a reinvestigation. Remember, it takes time to give your suggestion proper consideration. In most cases, suggestions are answered within 60-90 days, but some take longer to thoroughly investigate.

Reinvestigation

If your suggestion is not adopted and you feel it was not understood or you have further information to offer in support of it, you may

request a reinvestigation. Fill out a new Suggestion Form, write "Reinvestigation" at the top, refer to the suggestion number and explain why your suggestion merits further consideration. A reinvestigation request does not extend the two-year active life of your suggestion. Alternate problems and solutions must be submitted as new suggestions.

Resubmission

Resubmission will extend the eligibility period for an additional two years from the expiration date of the suggestion. If your suggestion has not been implemented and you think it is still applicable, you may request that it be resubmitted. Resubmission requests must be made within the 30 days prior to the expiration date of your suggestion. Requests for resubmission received on suggestions that have expired will be considered as new suggestions. Remember, it is your responsibility to consider your suggestions for possible resubmission. If you have been advised that your suggestion is predated by an earlier one, by company action or if a solution different from the one you proposed has been adopted, you may still resubmit your idea if you think it is still applicable.

Complete a new Suggestion Form. Copy the most recent suggestion number assigned and briefly summarize the idea from the original form. Write the word "Resubmission" and, if any, add the new reasons for requesting that the idea be reconsidered. Alternate problems and solutions must be submitted as new suggestions.

General Information

This brochure gives you a broad outline of the IBM Suggestion Plan in effect on February 1, 1972. Detailed provisions of the Plan are contained in Section 1 of the IBM Suggestion Plan Operating Manual. Other sections of the Manual relate to the administration of the Plan and are not part of the Plan itself. Questions about the Suggestion Plan should be referred to your manager or the Suggestion Department.

It is not always possible to determine immediately whether a suggester or suggestion is eligible under the Plan. IBM will determine when a suggester or suggestion is eligible. No action which the company might take shall be deemed to constitute an agreement to pay for an ineligible suggestion. Independent conversations and agreements not consistent with the terms of the Plan are not binding on the company.

By submitting a suggestion, the suggester waives any right to compensation for use of the suggestion, except under the terms of the Suggestion Plan. In consideration of payment of an award by IBM as provided in this Plan at any time during the active life of the suggestion or thereafter, the suggester grants to IBM, from the date the suggestion is received by the Suggestion Department, a fully paid-up, irrevocable and unrestricted license under the subject matter of the suggestion, the license including the right of IBM to sublicense its subsidiaries. This license shall not cover the subject matter of those suggestions to which IBM has title under the IBM Invention Agreement or to which IBM has rights according to law. The processing of a suggestion or payment of an award under the Suggestion Plan shall not be deemed a waiver of any rights which IBM may have to the subject matter of the suggestion under the Employee Confidential Information and Invention Agreement. It is the responsibility of suggesters to protect their patent rights if IBM does not own any rights to the suggestion.

Suggestions are governed by the terms of the Plan in effect on the date they are received. However, IBM reserves the right to change the Suggestion Plan at its discretion. Any decision of the company concerning the terms or administration of the Plan, including the eligibility of suggestions and suggesters, and the amount of any awards made, is final.